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Diana T Fritz 06/05/2007 10:20:15 AM From DB/Inbox: Search Results

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SIPDIS  
TELEGRAM

February 26, 2003

To: No Action Addressee  
Action: Unknown  
From: AMEMBASSY ABU DHABI (ABU DHABI 945 - ROUTINE)  
TAGS: ELAB, PHUM, ECON  
Captions: None  
Subject: LABOUR MINISTRY ACKNOWLEDGES WIDESPREAD ABUSE OF "FREE VISA" SCHEME  
Ref: None

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C O N F I D E N T I A L ABU DHABI 00945

SIPDIS  
CXABU:  
ACTION: ECON  
INFO: P/M AMB DCM POL  
Laser1:  
INFO: FCS

DISSEMINATION: ECON  
CHARGE: PROG

APPROVED: DCM: RAALBRIGHT  
DRAFTED: ECON: GARANA  
CLEARED: ECON: TEWILLIAMS

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RR RUEHC RUCPDO  
DE RUEHAD #0945 0571159  
ZNY CCCCC ZZH  
R 261159Z FEB 03  
FM AMEMBASSY ABU DHABI  
TO RUEHC/SECSTATE WASHDC 8559  
RUCPDO/USDOC WASHDC

C O N F I D E N T I A L ABU DHABI 000945

SIPDIS

DEPT FOR G/TIP, INL, DRL, NEA/RA AND NEA/ARP

E.O. 12958: DECL: 2/26/2008  
TAGS: [ELAB](#) [PHUM](#) [ECON](#) [TC](#)  
SUBJECT: LABOUR MINISTRY ACKNOWLEDGES WIDESPREAD ABUSE OF  
"FREE VISA" SCHEME

REF: ABU DHABI 47

[1](#)1. (U) Classified by DCM Richard Albright for reasons 1.5  
(b) and (d).

[1](#)2. (U) Despite ongoing efforts by the Ministry of Labour and Social Affairs to stiffen immigration regulations and curtail the influx of laborers entering the UAE under false pretenses, Ministry officials have told the local press that as many as 600,000 workers -- 27% of the UAE's total labor force -- entered the country under false work contracts over the last few years.

[1](#)3. (SBU) The work visas are obtained by UAE businesses from

the Ministry of Labor for a specific economic activity, but often the alleged jobs are purely fictitious. Arriving expatriate workers, often unaware of this situation, are told by their erstwhile Emirati employers that they must go out and find their own jobs -- and usually kick-back ten percent or more of their income to their nominal employers/sponsors -- or risk deportation. So prevalent is this phenomenon, often referred to as the "free visa" scheme, that Ministry officials estimate that only 49% of the registered businesses in the country are legitimate -- the other 51% exist only to sell visas. Last year the Labour Ministry issued 260,000 employment visas.

¶4. (C) Comment: Though the UAEG has recently implemented a high-profile amnesty program to encourage illegal workers to leave the country (see reftel), this new report demonstrates the extent of the problem and the difficulties confronting the authorities in reforming the UAE labor market. The principal difficulty facing the Labour Ministry is that many Emiratis, particularly from the poorer northern Emirates, derive significant income from the exploitation of the visa/sponsorship process -- and the expatriate workers who are subject to it. A strong regional political constituency, therefore, exists for maintaining the status quo -- which may help explain why the federal Labour Ministry is so willing to go public with these rather alarming figures.

Wahba